

VZCZCXYZ0000  
RR RUEHWEB

DE RUEHMU #0564/01 1281707  
ZNR UUUUU ZZH  
R 071707Z MAY 08  
FM AMEMBASSY MANAGUA  
TO RUEHC/SECSTATE WASHDC 2560  
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 000564

STATE FOR WHA/CEN, EB/IFD/OIA AND L/CID  
STATE FOR WHA/EPSC  
STATE PLEASE PASS TO USTR  
TREASURY FOR INL AND OWH

SENSITIVE  
SIPDIS

E.O. 12958: N/A  
TAGS: [EINV](#) [ECON](#) [USTR](#) [KIDE](#) [NU](#)  
SUBJECT: NICARAGUA: GON DISMISSES 85 MORE U.S. CLAIMS

REF: A) MANAGUA 173, B) MANAGUA 287, C) MANAGUA 424,  
D) MANAGUA 274, E) MANAGUA 0106, F) MANAGUA 0002, G) 07 MANAGUA  
2581, H) 01 MANAGUA 2313, I) 04 MANAGUA 2442, J) 04 MANAGUA 2324, K)  
02 MANAGUA 877

SUMMARY  
-----

1. (SBU) During the April 24 monthly Working Group meeting on property issues, Econoff discussed Government of Nicaragua (GON) plans to dismiss 84 more U.S. citizen claims. The head of the Office of Assessment and Indemnification reported that the GON recently decided that any claims dismissed under Decrees 3 and 38 (Somoza family and associates) will not receive compensation. Econoff raised concerns about a 30-day time limit imposed by the GON on 42 U.S. claimants to accept the GON's final settlement proposal to resolve their claims via indemnification bonds (BPIs) without providing detailed information about the offers. GON officials' newfound spirit of cooperation has quickly dissipated, but we will continue to press for cooperation, flexibility, fairness and transparency in resolving outstanding U.S. claims.

GON DISMISSES 84 NEW U.S. CITIZEN CLAIMS  
-----

2. (SBU) During the April 24 monthly Property Working Group meeting, Econoff met with 2 officials from the National Confiscations Review Commission (CNRC), and the head of the Office of Assessment and Indemnification (OCI) to discuss 84 claims that according to letters dated February 26 and March 31 from Attorney General Hernan Estrada to the Ambassador, the GON intends to dismiss under Anti-Somoza Decrees 3/1979 and 38/1979 (Refs A-B). Ruth Zapata, the head of OCI, said Attorney General Hernan Estrada recently determined that any claims dismissed under Decrees 3 and 38 will not receive compensation [Note: We have requested a formal explanation of this new policy. End Note].

3. (SBU) Econoff asked whether Estrada is still exploring legal options that would allow some U.S. citizens to challenge the application of these decrees to their claims (Ref C). CNRC official Alfonso Solorzano explained the new policy does not authorize his agency or OCI the authority to review these claims. Solorzano suggested that the Ambassador and Estrada might come to an understanding as to allowing claimants to defend their status.

"LET ME GIVE YOU AN OFFER YOU CAN'T REFUSE"  
-----

4. (SBU) An April 15 letter from the Attorney General to the Ambassador listed 42 U.S. claims ready for final settlement, pending additional paperwork and claimant signatures. The letter stated that claimants had 30 days to accept the GON's offer of compensation or the GON would close their cases [Note: On April 24, the

Ambassador received a letter from Estrada reiterating that U.S. claimants had 30 days, or until May 16, to settle the 42 claims or the GON would close their cases. End Note.] Econoff asked Zapata to explain why claimants were granted only 30 days; Zapata responded that claimants had been notified to settle their claims but they refused to do so. She added that the GON will not meet with claimants to discuss the terms of their final settlement offers.

#### U.S. CLAIMANTS UNHAPPY WITH SETTLEMENT OFFERS

15. (SBU) Upon receipt of the April 15 letter listing 42 claims ready for final settlement, the Property Office managed to contact most of the claimants to inform them of the opportunity to resolve their cases. Several U.S. claimants expressed unhappiness with the terms of their final settlements, complaining that the GON's offer was not fair. Some declared they will not accept the GON's offer if they do not receive fair market value for their properties.

16. (SBU) Decree No. 51/1992 requires OCI to determine the value of a property based on its cadastral records. Many U.S. claimants argue that the GON should consider improvements to their property. While the previous Chamorro, Aleman, and Bolanos administrations cooperated with claimants to determine their final settlement offers, current Nicaraguan law does not require the GON to compensate claimants based on fair market value.

#### COMMENT

17. (SBU) The GON's newfound spirit of cooperation following the Ambassador's February 26 meeting (Ref D) with Estrada has dissipated. On three occasions in April, the Attorney General's Office did not respond to our request for a meeting with Estrada to discuss U.S. property claims. Moreover, the GON's refusal to meet with claimants, adversely affects our efforts to resolve cases. We will continue to press the GON for cooperation, flexibility, fairness, and transparency in resolving claims as we enter the final stretches of the 2007-2008 Section 527 waiver year.

TRIVELLI